Management Information System Phase I Operations

September 1992

Duty Drawback
One Stop Shop
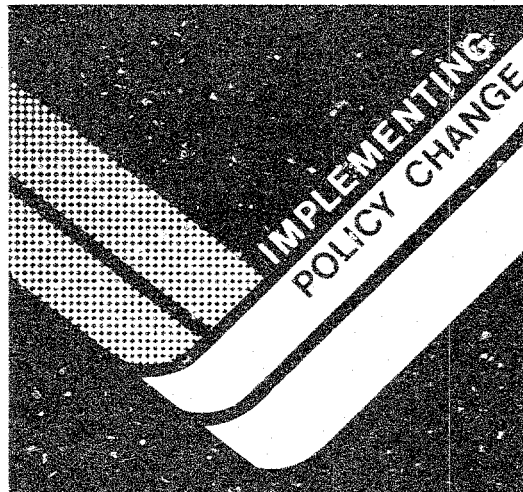## Department of Finance
Republic of the Philippines

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Table of Contents

ANNEXES

1.   FORMATS USED IN MIS

I.   BACKGROUND

The One Stop Shop for Duty Drawback of the Department of Finance has developed a Management Information System (MIS) to monitor its operations and make its reporting requirements explicit. This report describes the components of the system and provides sample formats currently being tested.

The MIS was prepared by a working group of the One Stop Shop (OSS) under the leadership of Uldarico Andutan and Raul de Vera. They were assisted by consultant Gilbert Yu. The Implementing Policy Change (IPC) project funded by USAID/Manila provided additional assistance as part of its SDP II support activities. Norman Bramble, Guia Espiritu-Lopez, Janet Tuthill and Alice Morton from the IPC project helped the OSS put the system together.

II. OBJECTIVES OF THE SYSTEM

The first objective of the MIS is to generate information needed for OSS management and to meet DOF and GOP reporting requirements. Information is required about OSS performance and to track progress toward the Phase I objectives under SDP II the GOP/USAID Support for Development II program supporting Philippine export competitiveness.

The systems' **purposes** are:

■   To know the status of OSS tax credit applications.

■   To have ready information for dissemination.

■   To gauge performance of the OSS.

■   To know if tax credits have been released within the prescribed time frame required.

■   To track progress in providing tax credits for export promotion.

■   To learn which industrial sectors avail themselves of tax credits.

■   To track the location of claimants and the amount of claims.

The MIS products include reports or information on:

■   volume of applications/type
■   amounts of tax credit (TC)
■   industries availing themselves of TC
■   quality of verification
■   type of TCs issued
■   amount of fees collected by the center
■   processing time by type of TC or application
■   opinions/feedback from industry clients by industry and size of firm and clients

These are used to make decisions within the OSS on duty drawback tax credit performance and needs for additional resources or operational changes.

III. DESCRIPTION OF THE SYSTEM

The system embodies the basic concepts of an effective management information system (MIS): (1) Information must be useable at the level on which it is collected; (2) information is passed selectively up the system to higher-level users based on their need to answer specified questions; and (3) feedback allows for further data or clarification as the need arises. The concept is described as a "nested network:"
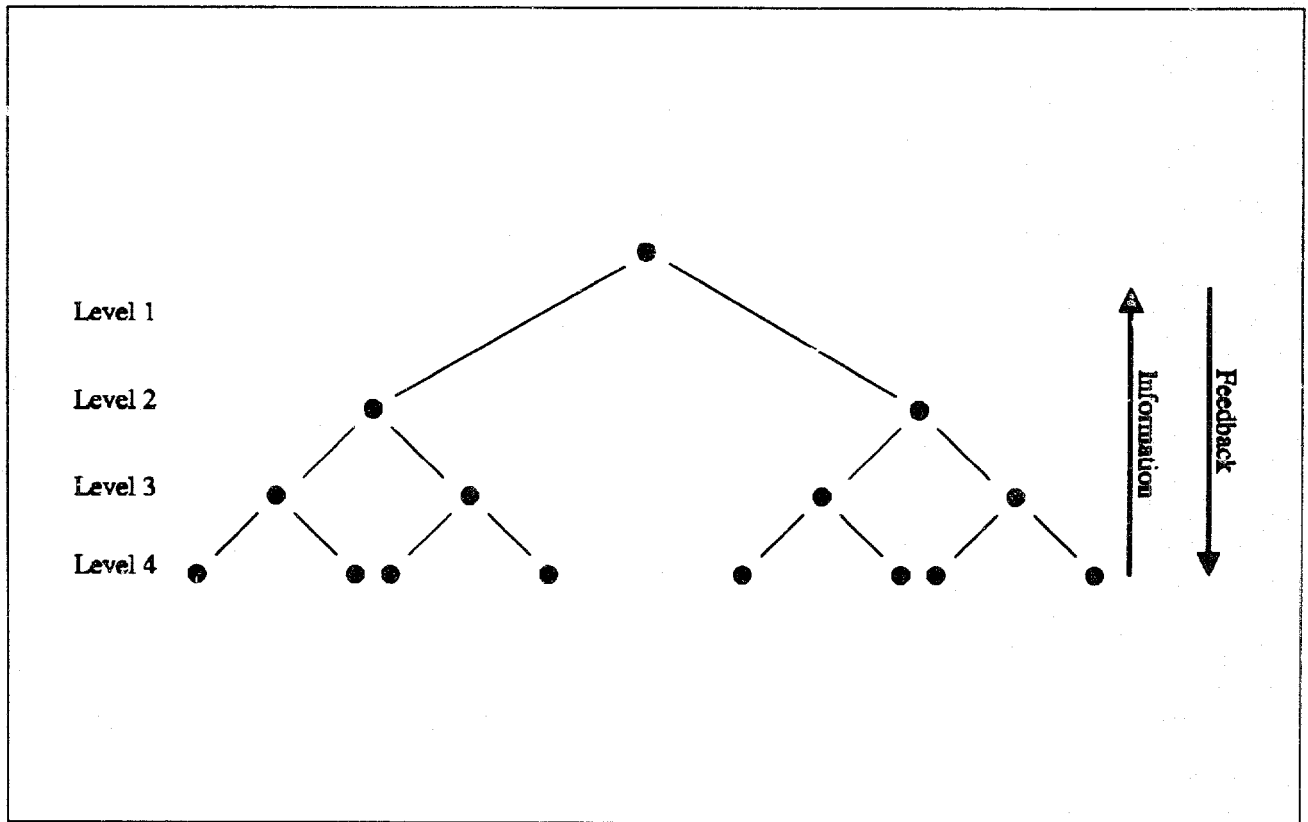
In this MIS the levels can be described as follows:

Level 1 - Highest level DOF, BOC, BOI and BIR officials

Level 2 - Interagency Consultative Group

Level 3 - Director of the Center and his/her staff

Level 4 - Operational units and personnel who do the work of the Center

An additional interested set of parties are the Philippine public, including private businesses, the PCCI, and donor organizations, including A.I.D.

Information flows up the system and is aggregated at each level and filtered for the most important information required by the level above. Specificity is retained at each level and sent upward in response to pre-agreed needs. The highest levels retain the possibility of asking for more data as needed. Feedback flows downward on quality of information, timeliness, and opportunities to reduce volume of data reported.

Key Information Users and Primary Information Needs

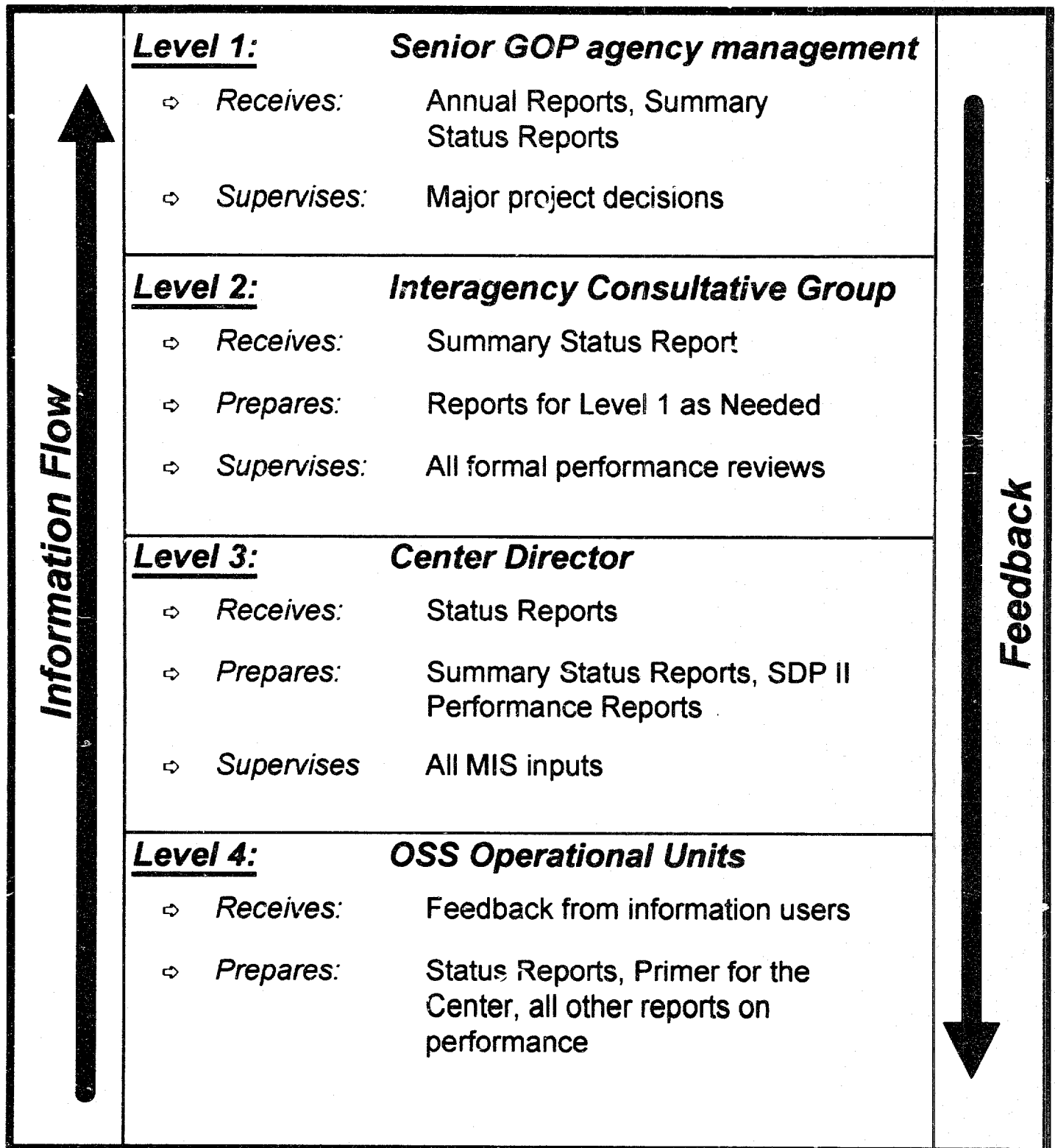Figure 1 shows the basic components and users of the MIS.

MIS Components

Type of Report	Prepared by	Prepared for	Frequency	Information Use
Annual Report	Information Unit (Budgets) printing/policy	-- Other government agencies -- Public	Annually	-- Budget DBM -- determine regionalization plan
Status Report	Respective Agency	-- Center Staff	Weekly	-- Performance measurement -- Operations decisions -- Source for summary report
Summary Status Report	Monitoring and Info Group	-- Interagency -- Senior DOF -- Center Staff	Monthly	-- Performance measurement -- Operations decisions -- SDP II monitoring
Press Releases	Info Unit	-- Media Associations -- Client Groups	Monthly	So public know how center is operating (performance measures, center information desk)
Primer of the Center	Task Force	-- Applicants -- Center Staff -- Info. Group-Front Desk -- Accounting firms -- Consultants	Review monthly during transition and annually thereafter	-- So applicants know how to apply -- Know their operating procedures -- research
Report on feedback from clients	-- Internal Group -- Monitoring & info group	-- Center staff -- Executive Committee	Monthly during transition and quarterly thereafter	-- So that the executive committee and the staff know the client needs -- potential primer revisions

Type of Report	Prepared by	Prepared for	Frequency	Information Use
Report on TCC issued	-- MIG/Collation	-- BIR -- BOC -- BOC -- Usage Analysts -- Info. Group	Weekly	-- BIR/BOC Tax debit memo -- monitoring in BOI
Standard rates update	Task Force (BOI) Committee on Standard Rates	-- Clients and Claimants -- Center -- Media -- Association -- Participating agencies	Quarterly (Formulation - Yearly)	-- To update old rates -- To inform new rates
SDP II performance report	-- Sorge/Oke -- Task Force One for agency	-- DOF -- USAID -- Executive Committee	November (3 weeks before tranche release)	-- SDP II tranche releases
Financial Report	Admin. Group (Cashier)	-- Internal Senior Management -- Office of the Pres. -- Executive Committee -- Center Staff	Monthly	-- for inclusion in annual report -- financial status/results -- no. of TCCs issued
Report on TCC Usage	-- MIG -- Mel	-- Analysts -- Information Group	Weekly	-- center staff (internal) -- management (internal)

FIGURE 2

MIS FLOW CHART

Information Flow

Feedback

Level 1: Senior GOP agency management

- ⇨ *Receives:*   Annual Reports, Summary Status Reports

- ⇨ *Supervises:*   Major project decisions

Level 2: Interagency Consultative Group

- ⇨ *Receives:*   Summary Status Report

- ⇨ *Prepares:*   Reports for Level 1 as Needed

- ⇨ *Supervises:*   All formal performance reviews

Level 3: Center Director

- ⇨ *Receives:*   Status Reports

- ⇨ *Prepares:*   Summary Status Reports, SDP II Performance Reports

- ⇨ *Supervises*   All MIS inputs

Level 4: OSS Operational Units

- ⇨ *Receives:*   Feedback from information users

- ⇨ *Prepares:*   Status Reports, Primer for the Center, all other reports on performance

IV.   SYSTEM INSTALLATION AND OPERATION

All the reports described in Figure 1 are currently in use by the OSS. The actual formats are included in Annex 1. In order for the MIS to be officially sanctioned it should seek senior DOF management approval on components, formats and reporting times.

During the Phase I Operations of the OSS, the MIS is subject to constant revisions. These should be instigated by the Center directors and approved by any concerned parties. IPC will make assistance available at the end of Phase I to make revisions as needed by the Center.

Care should be taken to limit components to the system so that it is flexible and adaptable. Any MIS components which do not seem to serve a need after a few months of operation should be eliminated.

Automation of the MIS will be proceeding in phases with an early emphasis on basic information for Center performance and operation receiving priority.

Annexes

Annual Report Format

Status Report Format

Performance Measures for SDP II

Report on Tax Credit Certificates Issued

Report on Tax Credit Utilization for Month

Financial Reports Summary

Document Verification Forms

Financial Reports

Type	Users	Frequency	Information Use
1. Collections (Cashier)	- COA - Treasury - National Accounting Office - Executive Assistant	Monthly	Determine cash inflow
2. Receivables	- COA - Treasury - National Accounting Office - Executive Assistant	Monthly	A) Determine receivable from agencies and claimants B) Determine efficiency in turnover of collections
3. Disbursements	- Administrative - Cashier - Budget - Accounting	Monthly	A) Calculate cash requirements B) Control disbursements
4. Bank reconciliation	- Cashier	10 days after EOM monthly	A) Reconcile bank vs. book amounts B) Determine actual bank balance
5. Operations	- Administrative - Accounting	Monthly	Results of operations
6. Financial condition	- Administrative - Accounting	Monthly	A) Determine financial condition of center B) Gauge disbursements based on liquidity
7. Cash position	- Cashier	Daily	- Reconcile inflows and outflows - Reflect actual balance
8. Funds Flow Statement	- Cashier Administrative	Monthly	Summary of cash transactions
9. Inventory of supplies	- Property Officer accounting	Monthly	- Keep track of EOQ - Maintain stocks for center
10. Inventory of Equipment	- Property Officer	Monthly	- Keep track of equipment and property

Type	Users	Frequency	Information Use
11. Remittance to Bureau of Treasury	- Cashier	Quarterly (15 days EOQ)	- Keep track of all remittances made to BOT on interest income earned (COA regulation)
12. Inventory of TCC forms	- Staff	Quarterly	- EOQ use - Leadtime for printing of security forms

N.B: Other users are internal and external auditors, operations committee and executive committee.

ANNEX

Document Verification Forms

List of Incoming
Documents for Verification

Date Received: _____ 19____

	Application No.	Name of Applicant	Agency Involved
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

List of Documents
Received After Verification

Date Received: _____ 19____

	Application No.	Name of Applicant	Processor
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Verification
Accomplishment List

Date Received: _____ 19____

	Application No.	Name of Applicant	Agency Involved
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____
5	_____	_____	_____
6	_____	_____	_____
7	_____	_____	_____
8	_____	_____	_____
9	_____	_____	_____
10	_____	_____	_____
11	_____	_____	_____
12	_____	_____	_____
13	_____	_____	_____
14	_____	_____	_____
15	_____	_____	_____
16	_____	_____	_____
17	_____	_____	_____
18	_____	_____	_____
19	_____	_____	_____
20	_____	_____	_____
21	_____	_____	_____
22	_____	_____	_____
23	_____	_____	_____
24	_____	_____	_____
25	_____	_____	_____

Processing Accomplishment
List for Final Recommendation

Date Received: _____ 19____

	Application No.	Name of Applicant	Approved Amount	Processor
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

List of Documents
Released for Verification

Date Released: _____ 19____

	Application No.	Name of Applicant	Agency Involved
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

List of Documents
Received for Processing

Date Received: _____ 19____

	Application No.	Name of Applicant	Agency Involved
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____
5	_____	_____	_____
6	_____	_____	_____
7	_____	_____	_____
8	_____	_____	_____
9	_____	_____	_____
10	_____	_____	_____
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18	_____	_____	_____
19	_____	_____	_____
20	_____	_____	_____
21	_____	_____	_____
22	_____	_____	_____
23	_____	_____	_____
24	_____	_____	_____
25	_____	_____	_____

OUTLINE OF ANNUAL REPORT FOR BOI GROUP

The annual report should be presented in a manner showing the following information:

1. The total amount of Tax Credits issued

2. TCC's issued broken down into:

    a. Per company basis
    b. Per industry sector
    c. Per region

3. Export performance per industry sector which is tied up with the tax credit availments.

4. Other information or issues for the year that need to be noted:

    a. Acceptance or support by the private sector
    b. Problems encountered
    c. Prospective solutions to the problems

ANNUAL REPORT

ONE STOP SHOP DUTY DRAWBACK
BUREAU OF INTERNAL REVENUE - TAX CREDIT

Date Received	No. of Application	No. of Approved	Amount of Applications	Date Reported	Amount Recommended	Amount of Disallowances	Date Approved	Amount Granted	Remarks

REPORT ON TAX CREDIT UTILIZATION

FOR THE MONTH OF _____

Date Filed	Transferor	Transferee	TCC No.	Date Issued	Amount	TDM No.	Amount of TDM	Date of TDM	Balance

STATUS REPORT FORMAT

	APPLICATIONS		TAX CREDIT CERTIFICATES ISSUED					
	No. of Contacts	No. accepted	Location of Claimant (geographic) - region/province	Amount of Accepted Applicant	Number	Amount Applied For	Amount Issued	Processing time (working days)
DOF BOC BIR								
SECTORS: 1 2 3 4 5 6 7 8 9 10								
TOTAL								

Performance Measures for SDP II

Performance Indicators	Measures for Transition Phase May 8- November 6, 1992	Data Sources	Responsibility
I. Outreach and application: a. Prospective clients informed of center operations and procedures	a. Formalize consultation with private sector	a. -- Minutes of consultation seminars -- Seminar schedules and venue -- Lists of participants	Information Unit
b. Completion of filing requirements (Nos. of working days to complete)	b. -- Majority of clients complete applications within 20 working days. -- Revision of checklists (uniformity and industry specific for major industries)	b. -- Summary Status report -- Updated checklists	DDB Center Management
c. Evaluation time for applications (no. of working days)	c. Maximum of 5 working days for DDB to evaluate applications	c. Summary status report	DDB Center management
d. Numbers of total applications	d. 100-150 applications per month	d. Summary status report(monthly)	DDB Center Management
II. Processing/verification/issuance a. Length of time to issuance(no. of working days)	a. 45 working days to issuance of all certificates	a. Summary status reports	DDB Center Management
b. New standard rates developed as needed.	b. -- BOI standard rates used while new rates and procedures are developed. -- Committee on standard rates begins consultations with industry	b. -- List of standard rates from BOI -- List of formulae of manufacture -- Minutes of meetings with industry groups	BOI and IIG group ITDI
c. Numbers of certificates issued.	c. Minimum of 90 certificates per month issued (average for the period)	c. Summary status report	DDB Center management

N.B. Measures for III. Post-evaluation will be added as procedures are finalized.

PERFORMANCE MEASURES FOR SDP II

Performance Indicators	Pre-operating phase February 7 - May 7, 1992	Transition phase May 8 - November 6, 1992	Full operating phase November 9, 1992 onward
I. Outreach and application: a. Prospective clients informed of center operations and procedures. b. Completion of filing requirements (nos. of working days to complete) c. Evaluation time for applications (nos. of working days) d. Numbers of total applications	a. - Press releases - PCCI consultation - Consultation with government agencies b. - d. Checklist of requirements developed in consultation with interested parties.	a. - Formalize consultation with private sector - Statistics on claims released monthly. b. - Majority of clients complete applications within 20 working days. - Revision of checklists (uniformity and industry specific for major industries) c. Maximum of five working days for DDB to evaluate applications d. 100-150 applications per month.	a. - Consultation with private sector continues regularly (at least quarterly) - Statistics on claims released monthly. b. - Majority of clients complete applications within 20 working days. - Checklists reviewed and revised as needed(at least annually) c. Maximum of three working days for evaluate applications. d. 200 applications per month.
II. Processing/verification/issuance a. Length of time to issuance (no. of working days) b. New standard rates developed as needed. c. Numbers of certificates issued	N/A	a. 45 working days to issuance of all certificates. b. - BOI standard rates used while new rates and procedures are developed. - Committee on standard rates begins consultations with industry. c. Minimum of 90 certificates per month issued (average for the reporting period)	a. 30 working days to issuance of all certificates. b. - New standard rates applied to increasing volume of claims. c. Minimum of 120-150 certificates per month issued.
III. Post-evaluation a. No. of selected audits of claims. b. Validity check of rate computation method (variance)	N/A	a. 25% of claims audited. b. 10-15% of total claims checked which use standard rates.	a. 25% of claims audited. b. 20% of total claims checked which use standard rates.

REPORT ON TAX CREDIT CERTIFICATES ISSUED

TO: BIR

        BOC

FROM: DUTY DRAWBACK CENTER

DATE:

FOR THE WEEK OF _____, 19_____.

Serial No.	Claimant	Amount

TOTAL: _____